GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:929
ANSWERED ON:19.07.2002
COMPULSORY QUOTING OF PAN
SHYAMA SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have recently issued notification regarding compulsory quoting of PAN for specified transactions;

(b) if so, the details thereof;

(c) the purpose of quoting PAN for specified transactions;

(d) whether amendments in this regard in the Income Tax Rules have been made; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a)&(b): Yes, Madam. The Government has issued a notification S.O.No.642(E) dated 19th June, 2002 adding three morespecified transactions to the existing eight transactions for compulsory quoting of PAN in Rule 114B of the Income-tax Rules,1962 and amending one of the existing specified transaction in the said rule so that compulsory quoting of PAN would now be necessary for a contract of purchase or sale of securities valued at one lakh rupees instead of ten lakh rupees.

(c): The existing provisions of section 139A of the Income-tax Act, 1961 provide for compulsory quoting of permanent account number (PAN) in all documents pertaining to high value transactions. The high value transactions have been specified in Rule 114B of the Income-tax Rules, 1962. The purpose of quoting PAN for specified transactions has direct relevance in checking tax evasion.

(d) & (e): Yes, Madam. The notification SO No. 642(E) dated19th June, 2002 has amended rule 114B of the Income-tax Rules,1962. The amended rule is as under:

(a) Sale or purchase of any immovable property valued at five lakh rupees or more;

(b) sale or purchase of motor vehicle;

(c) a time deposit exceeding fifty thousand rupees, with a bank;

(d) a deposit, exceeding fifty thousand rupees, in any account with Post Office Saving Bank;

(e) a contract of purchase or sale of securities valued at one lakh rupees;

(f) opening an account (not being a time deposit) in a bank;

(g) making an application for installation of a telephone connection (including a cellular telephone connection);

(h) payment to hotels and restaurants against their bills for an amount exceeding twenty-five thousand rupees at any one time;

(i) payment in cash for purchase of bank drafts or pay orders or bankers cheques from a bank for an amount aggregating fifty thousand rupees or more during any one day;

(j) deposit in cash aggregating fifty thousand rupees or more, with a bank during any one day;

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(k) payment in cash in connection with travel to any foreign country of an amount exceeding twenty-five thousand rupees at any one time.